



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTESHONORABLE CLAUDE PARRISH, COMMITTEE CHAIR
450 N STREET, SACRAMENTO

MARCH 22, 2005, 9:30 A.M.

ACTION ITEM**Agenda Item No: 1****Title:**Consideration of Proposed Property Tax Rule 474, *Petroleum Refining Properties*.**Issue:**

Should the Board initiate the rulemaking process to adopt proposed Property Tax Rule 474, *Petroleum Refining Properties*, that prescribes the valuation of properties used for refining petroleum?

Committee Discussion:

Staff asked the committee to recommend that the Board direct proposed Property Tax Rule 474, *Petroleum Refining Properties*, to the interested parties process. The committee heard remarks from speakers representing both the California Assessors' Association and taxpayer groups.

Committee Action:

The committee voted to recommend that the Board direct staff to initiate the interested parties process for proposed Property Tax Rule 474, *Petroleum Refining Properties*.

Agenda Item No: 2**Title:**

Treatment of Emission Reduction Credits as a Component of the Cost Approach in the Valuation of State-Assessed Electric Generation Facilities.

Issue:

Should the Board continue to treat the cost of emission reduction credits (ERCs) as an intangible attribute of improvements in state-assessed electric generation facilities?

Committee Discussion:

Industry representatives spoke in support of excluding ERCs in the valuation of state-assessed electric generation facilities. However, they expressed belief that it would be beneficial to refer this matter to the interested parties process to more fully understand the complexity of ERCs and how they should be treated in the valuation process. The Los Angeles County Assessor urged the committee to send the matter to the interested parties process because the Board's decision could have potential impact on local assessments.

Committee Action:

The committee directed staff to initiate the interested parties process to gather information on ERCs and to present its findings before the committee at an unspecified future date.

Approved: /s/ Claude Parrish
Claude Parrish, Committee Chair

/s/ Ramon J. Hirsig
Ramon J. Hirsig, Executive Director

BOARD APPROVED

At the March 22, 2005 Board Meeting

/s/ Deborah Pellegrini
Deborah Pellegrini, Chief
Board Proceedings Division